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THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS,
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

Vol. VIII, No. 3.

September 1, 1925.

FROSPPECTS TEMPERED BY DRY WEATHER

The season has alternated between good and bad ever since spring, carrying crop prospects with it. Bad weather has definitely curtailed production. Although the total acreage of cultivated crops was 2.3 per cent above that of last year, conditions last month indicated a composite yield per acre 4.5 per cent below last year. The mass of crop production per capita promises to be the smallest since 1921.

One of the worst setbacks has been in spring wheat, where acreage was increased 19 per cent over last year but with recent forecasts indicating around 260 million bushels against 283 million a year ago. The domestic wheat situation is a rather tight one. There appears to be little wheat to spare east of the Rocky mountains. The country price of wheat has been running around 30 cents above last year and is evidently high enough to stimulate production. Reports received last month from 24,000 producers indicate intentions to increase this fall's acreage of winter wheat by 4 million acres or nearly 10 per cent over that sown last fall.

Barring an early frost, corn will apparently turn out around 3 billion bushels, which is a fair, average crop. It was hurt by dry weather in portions of the Corn Belt as well as in the Southwest and the general yield per acre appears likely to be slightly below average. The corn situation is well balanced. There is grain enough to feed, yet the price is remunerative to producers. Corn, like wheat, now has a purchasing power per bushel somewhat higher than in pre-war times. In other words, this year's situation is likely to be stimulating instead of depressing to the Corn Belt.

Back of the feed grain markets looms a slowly growing strength in the livestock situation. That there will be an increasing demand this fall for feeder stock of all classes is the opinion of well informed men; current shipments of stock toward the feed lots appear to foreshadow such development. The livestock industry, in general, is heading slowly back toward a program of heavier production. The significance of this is that it represents the response to direct price stimulus and not the indirect pressure of grain surpluses as was true four years ago.

The story is quite similar throughout the main producing regions. Along with its actual income this year, agriculture is getting an injection of price stimulant - a stimulant unfortunately brewed partly from bad weather rather than from consumptive demand. Prices of several major crops are relatively high by reason of poor yields and this coincides with an upward trend in livestock prices. In so far as present price levels mean income for this season's products they represent a real bird in the hand. In so far as they merely serve to beckon producers into a still heavier acreage of wheat, cotton, corn, potatoes, along with more hogs, cattle and sheep for 1926, they represent a dubious substitution of the promise for the fulfillment.

KEY REGIONS AT A GLANCE

THE EAST - Digging early potatoes and getting ready for harvest of corn, buckwheat and late crops. Hay crop was fairly good in north though hurt by drought in some sections. Potato and vegetable growers in better spirits than last year. Apple producers perhaps not in quite as good position as a year ago. General conditions slightly improved over 1924.

THE SOUTH - Cotton has done well, generally speaking, except for the drought section of Texas and portions of Georgia and South Carolina and local weevil or weather damage in the Mississippi Valley. The promise is for a large total crop and good income to the Cotton Belt. Drought area of south central Texas hard hit; considerable exodus of farmers and laborers reported therefrom. South as a whole in relatively favorable position.

CORN BELT - Good crop of corn in sight if escapes an early frost. Probability of general increase in feeding this winter. Beginning to sow winter grain. Getting ready for fall harvest. With livestock prices encouraging and grain ample, the region is distinctly optimistic.

WHEAT BELT - Discouraged at drought effects but heartened by prices for wheat. Threshing well along in north. Sowing winter wheat in south. Reports indicate intentions to increase acreage of winter wheat nearly 10 per cent over last year. Region fairly optimistic except in southwestern areas where crop practically failed.

RANGE COUNTRY - Ranges generally good and stock in good shape except in south and in other local areas. Alfalfa, sugar beets and other irrigated crops generally doing well. Lambs and cattle moving to market in some volume. Some signs of hope among cattlemen at advances in heavy steer market and reviving feeder demand. Cattle industry, however, is in such position as to require considerable stimulus for general revival.

PACIFIC COAST - Rather dry, as a whole. Fruit and grain harvest going forward in north. Fruit shipments well along in south. Citrus prospect good. Some dry weather injury to beans and some abandonment of sugar beet acreage damaged by blight and thrips in California. General coast conditions fairly good.

THE TREND OF CROP PRODUCTION

	1913	Production 5-Year Av.		1924	1925 Production July 1	1925 Production August 1
	<u>Production</u>	<u>1920</u>	<u>1924</u>	<u>Production</u>	<u>Forecast</u>	<u>Forecast</u>
	<u>Millions</u>	<u>Millions</u>		<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Winter wheat, bu.	523	592		590	404	416
Spring wheat, bu.	240	245		263	276	263
All wheat, bu.	763	837		873	680	678
Corn, bu.	2,447	2,935		2,437	3,095	2,950
Oats, bu.	1,122	1,328		1,542	1,292	1,387
Flaxseed, bu.	18	15.3		30.2	26.1	23.5
Cotton, bales	14.1	10.9		13.6	13.59	13.99*
Rice, bu.	25.7	39.8		34.0	38.1	36.2
Potatoes, white, bu.	332	418		455	350	353
Sweet potatoes, bu.	59	96.2		71.9	87.6	85.3
Tobacco, lbs.	954	1,331		1,241	1,283	1,234
Hay, all, tons	64	107		112	92.6	91
Apples, total, bu.	145	181		179	157	161
Apples, commercial, bbls.	---	30.4		28.6	29.2	30.4
Peaches, total, bu.	40	46.5		53.1	46.8	47.4

Total acreage of cultivated crops 2.3 per cent greater than last year. Composite yield per acre based on preliminary estimates, 4.5 per cent less than last year.

*Forecast as of August 16.

AVERAGE PRICES OF FARM PRODUCTS RECEIVED BY PRODUCERS

August 15, 1925.

Actual prices received by producers at local farm markets as reported to the Division of Crop and Livestock Estimates of this Bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

	5-yr. Av. Aug. 1909- July, 1914	Aug. Av. Aug. 1909- July, 1914	Aug. 1924	July 1925	Aug. 1925
Cotton, per lb.	¢ 12.4	12.3	27.8	23.4	23.4
Corn, per bu.	¢ 64.2	70.9	107.4	104.4	106.5
Wheat, per bu.	¢ 88.4	89.5	116.8	140.3	150.4
Hay, per ton	\$ 11.87	11.35	12.95	12.48	12.25
Potatoes, per bu.	¢ 69.7	84.0	111.3	125.5	155.4
Oats, per bu.	¢ 39.9	40.9	49.1	45.3	40.7
Beef cattle, per 100 lbs.	\$ 5.22	5.08	5.67	6.55	6.58
Hogs, per 100 lbs.	\$ 7.23	7.30	8.54	12.02	12.19
Eggs, per dozen	¢ 21.5	18.1	26.1	27.9	30.0
Butter, per lb.	¢ 25.5	23.8	37.7	39.2	40.0
Butterfat, per lb.	¢ ----	----	35.8	40.5	41.3
Wool, per lb.	¢ 17.7	17.5	33.5	39.4	38.1
Veal calves, per 100 lbs.	\$ 6.75	6.59	7.94	8.65	8.80
Lambs, per 100 lbs.	\$ 5.91	5.51	10.15	11.71	11.80
Horses	\$142.00	143.00	79.00	80.77	80.06

The outstanding farm price changes from July 15 to August 15 were a 10 cent increase in wheat, 30 cent increase in potatoes, and a 2 cent increase in eggs; while oats dropped nearly 5 cents in price and wool nearly a cent. Wheat prices gained about as much as in the same period a year ago when the farm price increased from 105.8 cents to 116.8 cents. The farm price of wheat was 29 per cent higher on August 15, 1925, than a year ago. The rapid rise in the farm price of potatoes from 70.5 cents on May 15 to 155.4 cents on August 15 marks the transition from low priced old potatoes from the "bumper" crop of 1924, to higher priced new potatoes of the much smaller 1925 crop. Both eggs and butter prices are maintaining a substantial lead over prices prevailing a year ago.

A larger outturn of the oat crop than was expected earlier in the season further depressed the price of oats. The farm price of both corn and hogs was slightly higher while the market price declined slightly. The average price of hogs on the Chicago market broke sharply from \$13.18 for the week ending August 15 to \$12.48 for the week ending August 22 in the face of a marked decline in the receipts of hogs at 7 markets, which declined from 89 per cent of the corresponding week a year ago to 69 per cent. The farm price of beef cattle shows no change. The average market price of fat steers at Chicago shows practically no change, but stocker and feeder prices have increased more than a dollar per 100 pounds.

PRICE INDEXES FOR JULY AND AUGUST, 1925.

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics, (latter shown to nearest whole number.) Shows year ago, and latest available month :

Farm Products

(Prices at the farm, Aug. 1909 - July 1914 = 100.)

	<u>Aug.</u> <u>1924</u>	<u>July</u> <u>1925</u>	<u>Aug.</u> <u>1925</u>	<u>Month</u> <u>Trend</u>
Cotton	224	189	189	Unchanged
Corn	167	163	166	Higher
Wheat	132	159	170	Higher
Hay	109	105	103	Lower
Potatoes	160	180	223	Higher
Beef cattle	109	126	127	Higher
Hogs	118	166	168	Higher
Eggs	121	130	140	Higher
Butter	148	154	157	Higher
Wool	188	221	214	Lower

Commodity Groups

(Wholesale Prices; 1910-1914 = 100.) 1/

	<u>July</u> <u>1924</u>	<u>June</u> <u>1925</u>	<u>July</u> <u>1925</u>	<u>Month</u> <u>Trend</u>
Farm products	141	155	162	Higher
Food, etc.	138	154	156	Higher
Cloths & clothing	191	192	192	Unchanged
Fuel & lighting	201	200	200	Unchanged
Metal & met. products	140	135	136	Higher
Bldg. materials	174	176	175	Lower
Chemicals, etc.	125	131	132	Higher
House-furnishing goods	177	176	175	Lower
<u>ALL COMMODITIES</u>	<u>150</u>	<u>160</u>	<u>163</u>	<u>Higher</u>

1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.

RELATIVE PURCHASING POWER

(At July 1925 Farm Prices)

Aug. 1909 - July, 1914 = 100

<u>In terms of:</u>	<u>Of a Unit of:</u>				
	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	116	100	97	65	111
Cloths, etc.	98	84	82	55	94
Fuel, etc.	94	81	79	53	90
Metals, etc.	139	120	117	78	133
Bldg. Materials	108	93	91	60	103
House-furnishing goods	108	93	91	60	103

	<u>Beef Cattle</u>	<u>Hogs</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	77	102	80	94	136
Cloths, etc.	65	86	67	80	115
Fuel, etc.	63	83	65	77	111
Metals, etc.	93	123	96	113	163
Bldg. materials	72	95	74	88	126
House-furnishing goods	72	95	74	88	126

Grain prices in July lost some ground in exchange for non-agricultural prices, but livestock, particularly hogs, continued to show increased relative advantage. The improvement in the relationship of potato prices to other commodity prices is partly seasonal and partly the result of the new short crop.

The general index of purchasing power of all farm products in terms of non-agricultural commodities remained at a level of 91, compared with a 5-year pre-war level taken as 100.

The substantial rise in the index of farm prices in August, if not accompanied by a similar rise in other commodity prices, should show a net gain in the purchasing power of farm products.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1924 July	1925 June	1925 July	Month's Trend
PRODUCTION				
Pig iron daily (Thou. tons)	58	89	86	Decrease
Bituminous coal (Millions tons)	33	37	40	Increase
Automobiles shipped (Thou. carloads)	27	46	--	-----
CONSUMPTION				
Cotton by mills (Thou. bales)	347	494	484	Decrease
Unfilled orders Steel Corp. (Thou. T.)	3,187	3,710	3,539	Decrease
Building contracts (Millions dollars)	290	466	441	Decrease
Hogs slaughtered (Thousands)	2,605	2,298	1,804	Decrease
Cattle " "	1,141	1,190	1,252	Increase
Sheep " "	959	908	939	Increase
MOVEMENTS				
Bank clearings (N.Y.) (Billions dollars)	21	24	23	Decrease
Car loadings (Thousands)	3,525	3,956	3,888	Decrease
Mail order sales (Millions dollars)	22	31	28	Decrease
Men employed, N. Y. State Factories (Thou.)	470	491	486	Decrease
Av. price 25 indus. stocks (Dollars)	114	144	149	Increase
Interest rate (4-6 mo. paper, N. Y.)	3.53	3.88	3.93	Increase
Retail Food Price Index (Dept. Labor)*	143	155	160	Higher
Wholesale Price Index (Dept. Labor)*	139	155	157	Higher

The business situation has not changed much in late weeks. In general, the authorities pronounce it good. There is some slight downward movement in certain indices of production and trade. The security markets have reached notably high levels. Interest rates, though showing a faint tendency to stiffen, are still low. There is some undercurrent of friction in the building trades which might cause trouble, as might the threatened anthracite coal strike, should the latter materialize.

On the whole, however, business must be counted as strong. If agriculture has any cause for concern over industrial conditions, it is with events that lie out ahead of this present season, not with 1925.

GENERAL TREND OF WAGES AND PRICES

1910-1914 =100

Year and Month	General Wage Level	Farm Wages 2/	Retail Price of Food 1/	Wholesale Price of Food 1/	Wholesale Price All Commodities
	N.Y. factory workers				Bureau of Labor Statistics
1910	---	97	96	100	103
1911	---	97	95	96	95
1912	---	101	101	103	101
1913	---	104	103	99	102
1914(June)	100	101	106	101	100
1915	101	102	104	104	103
1916	114	112	117	120	129
1917	129	140	151	166	180
1918	160	176	174	187	198
1919	185	206	192	205	210
1920	222	239	210	218	230
1921	203	150	158	143	150
1922	197	146	146	137	152
1923	214	166	151	143	156
1924	218	166	150	143	152

1924

January	219	159	154	142	154
February	218	---	152	142	154
March	222	---	148	140	153
April	218	163	146	136	151
May	217	---	145	136	150
June	214	---	147	135	147
July	213	168	148	138	150
August	216	---	149	143	152
September	221	---	151	147	152
October	217	171	153	151	155
November	218	---	155	153	155
December	222	---	156	157	160

1925

January	223	156	159	159	163
February	220	---	156	156	164
March	224	---	156	158	164
April	218	163	155	153	159
May	221	---	156	152	158
June	220	---	160	154	160
July	220	169	165	156	163

1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.

2/ Index based on both monthly and daily wages.

NEW INDEX OF GENERAL TREND OF PRICES
On Five-Year Base, August, 1909 - July, 1914 = 100

Year and Month	Index numbers of farm prices							Wholesale Prices of Non-Agricultural Commodities 1/	Relative power of purchasing Farmer's Product 2/
	Grains	Fruits and Vegetables	Meat Animals	Dairy & Poultry Products	Cotton and Cotton-seed	Unclassified	All Groups 30 Items		
1910	104	91	103	101	113	102	103	102	101
1911	96	106	87	95	101	103	95	96	99
1912	106	110	95	103	87	106	99	100	99
1913	92	92	108	100	97	94	100	105	95
1914	103	100	112	101	85	95	102	97	105
1915	120	83	104	99	78	95	100	101	99
1916	126	123	120	106	119	100	117	138	85
1917	217	202	173	133	187	130	176	182	97
1918	226	162	202	160	245	157	200	188	107
1919	231	189	206	182	247	162	209	199	105
1920	231	249	173	197	248	152	205	241	85
1921	112	148	108	151	101	90	116	167	69
1922	105	152	113	135	156	94	124	168	74
1923	114	136	106	147	216	109	135	171	79
1924	129	124	109	137	211	100	134	162	83
1924									
July	130	142	103	122	215	101	132	158	83
Aug.	141	138	116	123	219	103	139	159	87
Sept.	140	113	115	133	175	100	132	158	83
Oct.	150	109	121	142	182	102	138	158	87
Nov.	147	108	115	150	179	106	137	160	86
Dec.	155	110	113	158	176	102	139	163	85
1925									
Jan.	172	122	123	154	182	94	146	165	83
Feb.	178	131	126	142	183	96	146	167	86
Mar.	172	138	145	134	195	94	151	165	91
Apr.	152	146	146	131	189	94	147	162	90
May	159	162	139	132	184	87	146	161	90
June3/	164	184	139	132	183	86	148	163	91
July3/	152	178	148	134	186	88	149	164	91
Aug.	157	178	149	139	186	96	152	---	--

1/ Computed by Bureau of Labor Statistics from wholesale prices of all commodities except those from United States farms. 1910-1914 = 100. 2/ The value of a unit of the farmer's product in exchange for non-agricultural products at wholesale prices, compared with pre-war values. Obtained by dividing index of all groups (30 items) by index of wholesale prices of non-agricultural products. 3/ Indexes for unclassified and total groups revised for June and July. Index of purchasing power revised from 90 to 91 in June.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1921 Total	435,606	340,908	41,040	19,764	24,168	472,011
1922 "	413,106	378,598	44,067	23,218	22,364	530,601
1923 "	386,430	271,858	55,330	23,211	22,025	549,207
1924 "	482,007	278,719	55,414	23,695	22,201	591,439
1924 Jan.	15,548	30,594	6,253	1,888	1,697	37,689
" Feb.	20,165	44,689	5,335	1,457	1,412	40,474
" Mar.	17,434	29,405	4,833	1,556	1,367	44,371
" Apr.	10,374	17,926	4,374	1,751	1,348	43,970
" May	16,039	15,988	4,321	1,890	1,344	57,462
" June	16,877	17,392	4,296	1,673	1,550	77,891
" July	39,911	18,453	4,091	1,798	1,672	78,089
" Aug.	88,461	18,841	3,196	1,934	2,005	57,624
" Sept.	81,183	22,084	3,216	2,566	3,027	47,760
" Oct.	84,858	18,877	3,990	2,737	3,295	42,220
" Nov.	58,081	15,231	4,904	2,363	1,879	30,417
" Dec.	33,076	29,239	6,604	2,083	1,605	33,471
1925 Jan.	23,247	35,820	6,105	1,869	1,467	38,118
" Feb.	18,493	20,833	4,558	1,530	1,388	35,421
" Mar.	16,925	23,868	3,528	1,860	1,504	41,027
" Apr.	10,023	9,810	3,247	1,827	1,541	42,559
" May	17,896	11,935	3,283	1,737	1,689	57,276
" June	20,465	17,381	3,507	1,746	1,603	74,597
" July	37,919	9,662	2,798	1,970	1,699	70,395

Wheat movement slow; less to market in July than same month last year. Corn movement likewise; only half as much moved to market as in same month last year.

Movement of hogs in July, which was much lighter than last year, heavy movement of cattle and sheep, and somewhat less butter probably reflect the production situation fairly well in each case.

THE TREND OF EXPORT MOVEMENT

Compiled from Department of Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT including flour	TOBACCO (Leaf)	BACON** HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1923 July	12,822	44,105	64,264	69,478	74,127	171
1923 12 months	171,928	474,500	828,890	1,035,382	958,473	5,279
1924 January	12,143	47,579	79,067	132,758	90,430	547
" February	10,019	38,414	81,108	99,910	90,462	482
" March	9,374	61,172	66,695	100,726	74,464	332
" April	8,416	59,019	57,546	73,307	64,474	321
" May	7,206	39,661	45,584	62,648	51,427	326
" June	10,257	52,614	44,145	59,475	49,807	231
" July	7,600	32,521	53,769	86,788	60,275	212
" August	21,106	33,410	52,367	75,937	60,180	278
" September	39,244	37,245	43,117	65,810	50,088	737
" October	53,463	56,227	45,365	60,813	52,820	947
" November	35,102	44,229	35,430	49,120	42,395	1,307
" December	24,326	44,168	33,788	76,803	43,114	1,076
1924 12 months	238,256	546,257	637,980	944,095	730,067	6,796
1925 January	12,928	35,446	56,169	78,440	65,705	1,076
" February	11,612	23,806	48,041	60,363	55,438	812
" March	16,202	32,475	53,853	63,281	62,016	740
" April	12,721	30,850	33,413	44,447	39,303	473
" May	12,976	22,415	33,475	71,135	38,977	331
" June	10,758	27,460	39,690	59,799	45,396	218
" July	8,777	39,037	35,474	49,414	40,992	202

Seasonal falling off in wheat exports during July. Export of pork and meats generally showed continued decline; much below last year.

Cotton export continued slight seasonal decline, running slightly below same month last year.

* Includes fresh, canned and pickled beef, bacon, hams and shoulders; fresh, canned, and pickled pork; mutton and lamb.

Includes linters.

** Includes Cumberland and Wiltshire sides.

COLD STORAGE SITUATION

August 1 holdings (Shows nearest million, six figures omitted):

<u>Commodity</u>	<u>5-Year Average</u>	<u>Year Ago</u>	<u>Month Ago</u>	<u>August 1, 1935.</u>
Creamery butter, lbs.	105	134	64	109
American cheese, lbs.	52	66	46	67
Case eggs, cases	8,883*	9,267*	9,482*	10,020*
Total poultry, lbs.	30	34	59	54
Total beef, lbs.	66	50	62	50
Total pork, lbs.	804	811	739	670
Lard, lbs.	164	150	146	146
Lamb & Mutton, lbs.	3.4	2.2	1.5	1.3
Total meats, lbs.	943	930	878	792

Moderately heavy in-movement of butter, cheese and eggs during July.

Continued outward movement of dressed poultry, beef, pork, and lamb. Lard stocks did not change though they normally decreased slightly in July.

Storage stocks above average in case of cheese, eggs, poultry. Stocks below average in case of beef, pork, lard lamb. Butter stocks about average.

The shrinkage in stocks of pork products and of lamb and mutton since last year is noteworthy.

*Thousands, or three figures, omitted.

THE DAIRY SITUATION

Division of Dairy and Poultry Products, B. A. E.

As between the influences of supply and demand, this seems to be one of those years when probable supply occupies the foreground and the uncertainty of this has kept the dairy industry guessing. Three months ago, for example, it looked as though butter production was running around 4 per cent lighter than last year. Due to changes in conditions affecting production, together with shifts in the industry which may have occurred, it now appears that this decrease may possibly be as much as 6 per cent. Likewise, condensed milk production is falling off, and the estimate in January of an 11 per cent increase over the previous January, has changed to an estimated decrease of over 5 per cent in July as compared with July, 1924. Taking the first seven months of this year as a whole, available reports of condensery production indicate a decrease of approximately 3 per cent. When this is considered in connection with the change in butter production, it is apparent that our output of dairy products is slipping behind the 1924 record.

These conditions on the production side of dairying lend added interest to other phases of the situation as we look at it from a statistical standpoint. The peak of butter holdings in cold storage is normally reached on September 1; but at the rate of movement this year, even through August, it is apparent that the September 1 report will show a shortage under last year of perhaps 25,000,000 pounds. But, in making such comparisons, it is to be borne in mind that on September 1 last year, total stocks of 156,440,000 pounds were the largest on record and that with the above mentioned shortage there will still be a good sized surplus over the September 1 5-year average. August 1 holdings were 109,041,000 pounds and there is already a known increase since then of approximately 20,000,000 pounds in storages from which weekly reports are available. The September 1 5-year average is 115,812,000 pounds.

Butter prices at the close of August are running 5 to 6 cents above last year. A similar difference occurred during April and part of May, but this had narrowed to 1 cent in June, spreading again during the latter part of July. Cheese prices are also around 4 cents over those of last year. Prices paid producers by condenseries are running some 30 cents per cwt. higher than in 1924, and with the August increase in fluid milk prices, these are now about 15 cents higher also.

While there are numerous arguments offered to justify this higher price level, the chief counter argument advanced, particularly by some of the butter trade, is that the higher prices have already cut off consumptive demand. As evidence of this, it is pointed out that despite the fact that receipts of butter at wholesale markets are lighter than in 1924, the into-storage movement since the middle of August has been materially heavier than it was last year, indicating that immediate consumptive demand must be less. With butter prices at present levels, there is this possibility. Higher prices would seem to encourage production, particularly on the part of producers who are inclined to follow dairying as a minor operation, but such will not occur until dairy prices in relation to prices of other farm products, offer greater attraction.

DAIRY SITUATION

(Thousands i.e., 000 omitted)

Stocks on hand - August 1 - United States (Lbs.)

	In Cold Storage		In Manufacturers' Hands	
	Butter	Cheese*	Cond. & Evap. Milk	Powdered Milk(2)
1925	109,041	83,598	193,288	8,112
1924	134,118	84,073	282,431	15,296
Change	- 25,077	- 475	- 89,143	- 7,184
Per cent change	- 18.7	- 0.6	- 31.6	- 47.0
5 year average	+ 4.2	+ 23.3	--	--

* All Types.(2) Includes Skim Milk, and Cream Powder.

RECEIPTS OF BUTTER AND CHEESE (Lbs.)

	Butter at 4 Principal Markets*		Amer. Cheese at Wis. Warehouses	
	July	Jan.-July Inc.	July	Jan.-July Inc.
1925	67,566	342,155	41,952	172,256
1924	75,537	363,383	41,169	170,682
Change	- 7,971	- 21,228	+ 783	+ 1,574
Per cent change	- 10.6	- 5.8	+ 1.9	+ 0.9

* New York, Chicago, Philadelphia and Boston

NET IMPORTS AND EXPORTS - July (Lbs.)

	Butter	Cheese	Cond. and Evap. Milk	Powdered Milk(1)
1925 - July	19 Ex.	4,107 Im.	15,731 Ex.	110 Im.
1924 - July	648 Im.	4,245 Im.	12,659 Ex.	52 Ex.
Jan.-July 1925	1,761 Im.	25,440 Im.	86,414 Ex.	338 Im.
Jan.-July 1924	14,770 Im.	28,399 Im.	117,657 Ex.	849 Ex.

(1) Includes Skim Powder. BUTTER SUMMARY FOR JANUARY - JULY INC. (Lbs.)

	1925	1924	Change in 1925	Per cent of Change
In cold storage Jan. 1.	65,657	30,299	+ 35,358	+ 116.7
Production: Jan.-July				
Creamery (Est.) 7 mo.	783,822	842,360	- 58,538	- 6.9
Farm (Est.) 7 mo.	363,617	368,640	- 5,023	- 1.4
Net imports (Jan.-July)	1,761 Im.	14,770 Im.	- 13,009	- 88.1
TOTAL	1,214,857	1,256,069	- 41,212	--
In Cold Storage	109,041	134,118	- 25,077	- 18.7
Apparent consumption				
during Jan.-July (7mo.)	1,105,816	1,121,951	- 16,135	- 1.4
App. consumption July	170,728	176,275	- 5,5	- 3.1

Division of Dairy and Poultry Products, B. A. E.

With the peak of storage holdings of shell eggs practically reached on August 1, interest in the storage egg situation now centers upon the events of the coming months as furnishing the answer to whether or not and to what extent storage eggs will prove profitable this year. On August 1, holdings of shell eggs were 8.1 per cent greater than last year. This is a surplus of about three-fourths of a million cases, an amount which may prove burdensome if general conditions prove unfavorable.

It must be remembered that the bulk of present stocks went into the storage at a price about 5 or 6 cents a dozen higher than last year. This fact alone would seem to preclude any great probability of profits approaching those of last year. Whether a profit is made will depend largely upon the clearance of stocks which can be effected during the fall months at profitable price levels. This in turn will be dependent to a considerable extent upon the volume of receipts of fresh eggs during this period. So far there has been no indication of a greater production this year than last, but favorable weather conditions or a larger stock of pullets in the country can yet modify this condition to the detriment of storage values. Industrial conditions may play an important part by stimulating or reducing consumptive demand, while the heavy stocks of frozen eggs may also have an influence in so far as they are in competition with storage shell eggs. Importations of frozen and dried eggs ran rather heavy during July and total importations since January 1 are well ahead of last year.

Egg prices worked upward slightly during July, especially on the better grades. For the first three weeks of August, however, the egg market showed no great activity, and prices declined slightly under fairly liberal receipts. For the entire season up to the last of August prices have ranged higher than a year ago, but the failure of prices to make any advance in August has resulted in a current slightly lower price level than prevailed at the same time last year.

While receipts of dressed poultry at the four markets in July continued to run behind last year, early August receipts were fully as heavy as a year ago. Prices on practically all classes of fresh killed stock declined during July, especially on broilers and fryers as receipts became more liberal. These classes closed the month well below last year's prices, but fresh killed fowl were slightly higher. As August advanced, fryers remained weak, but fowl showed a moderate advance under comparatively light supplies. Under the influence of buying for storage, broilers showed more strength, particularly the finer packs, and scored a price advance of several cents.

With comparatively heavy supplies still in the storages, frozen poultry has continued weak and prices low under pressure of selling to clean up the stocks. Even with these lower prices the movement has not been very satisfactory and it appears likely that more or less frozen roasters will be carried over into the next storage season. The price declines, quite marked in the case of broilers and roasters, which occurred in July carried over into August and were even extended a little farther, bringing prices well below those prevailing a year ago.

The live poultry market has been rather sensitive to fluctuation in supply. Receipts have been fairly liberal with the proportion of broilers increasing steadily. Prices have shown considerable change as supplies fluctuated, the market exhibiting no great ability to absorb increased supplies even at moderate price reductions.

POULTRY AND EGG SITUATION.
(Thousands, i.e. 000 omitted)
Stocks in Storage - August 1 - United States

	Shell eggs (Cases)	Frozen eggs (Pounds)	Dressed poultry (Pounds)
1925	10,020	42,956	53,505
1924	9,267	35,184	53,604
Change	+ 753	+ 7,772	+ 19,901
Per cent	+ 8.1	+ 22.1	+ 59.2
% change from 5-yr. av.	+ 12.7	+ 45.8	+ 79.4

Imports and Exports of Poultry and Eggs - January 1, to July 31.

	Imports	1925	1924	Exports	1925	1924
Shell eggs (dozens)		473	173		15,179	18,164
Whole eggs, dried (Lbs.)		530	601			
Whole eggs, frozen (Lbs.)		4,665	1,145		184	429
Yolks, dried (Lbs.)		1,663	1,171			
Yolks, frozen (Lbs.)		3,086	1,750			
Egg albumen, dried (Lbs.)		1,603	974			
Egg albumen, frozen, prepared or preserved (lbs.)		1,116	651			
Live poultry, (Lbs.)		94	104		456	487
Dressed poultry (Lbs.)	(2)	1,246	(2) 814	(1)	4,786	3,743
Canned poultry (Lbs.)	(3)		(3)	(3)		50

(1) Includes game. (2) Includes poultry dead and prepared. (3) Not separately stated.

Receipts and Apparent Trade Output at Four Markets - Eggs (Cases)

	Receipts	JULY Net storage Movement	App. trade Output	JAN. 1 - JULY 31 Receipts	Net storage Movement	App. trade Output
1925	1,242	+ 295	947	11,256	+ 3,246	8,010
1924	1,358	+ 299	1,059	11,254	+ 2,661	8,593
Change	- 116		- 112	+ 2.0		- 583
Per cent	- 8.5		- 10.6	+ .01		- 6.8

Receipts and Apparent Trade Output at Four Markets - Dressed Poultry (Lbs.)

	Receipts	JULY Net storage Movement	App. trade OUTPUT	JAN. 1 - JULY 31 Receipts	Net storage Movement	App. trade OUTPUT
1925	17,676	- 4,432	22,108	126,669	- 53,034	179,703
1924	19,573	- 829	20,402	153,827	- 38,859	192,689
Change	- 1,897		+ 1,706	- 27,158		- 12,983
Per cent	- 9.7		+ 8.4	- 17.6		- 6.7

SOME ITEMS IN THE WHEAT SITUATION

Division of Statistical Research, B. A. E.

Estimates and forecasts of wheat production in 22 countries of the Northern Hemisphere reported up to August 19 amount to 2,222,000,000 bushels, as compared with 2,156,000,000 bushels for the same countries last year. These countries represent about 83 per cent of the Northern Hemisphere crop outside of Russia and China and 72 per cent of the world crop outside of these 2 countries.

Should the rate of increase in the reported countries be borne out in the countries not yet reported, there would be an increase in world production, outside of Russia and China, of about 3 per cent. The world production last year amounted to 3,091,000,000 bushels and an increase of 3 per cent would, therefore, increase production by a little more than 90,000,000 bushels. This increase would be very largely offset by the lower stocks of old wheat available at the beginning of this year as compared with the amount available at the beginning of last year.

Should these indications be borne out the world supply of wheat, outside of Russia and China, for this year would be but slightly greater than the supply for last year. Exports from Russia may increase this supply. The crops of the Southern Hemisphere, however, are still very uncertain. Increased areas have been sown so that the Southern Hemisphere crop might be larger than last year. It is also possible that yields will be lower than last year and the crop, therefore, no larger and perhaps even smaller than last year.

Another factor to be taken into account is an increase in the supply of rye which will cause some reduction in the demand for wheat. The effect of the increase in the rye crop and a slight increase in the wheat crop may be offset, on the other hand, by an increase in consumption due to the increased domestic production of European importing countries. Larger crops in several of the European countries will undoubtedly result in greater domestic consumption. It is not to be expected that the purchasing demands of these countries will be reduced by the amount of the increase in their home crops. Considering all of these factors it does not appear that the relation of the world supply of wheat to the probable world demand is very different from what it was last year.

The relation of the United States to the world wheat market, however, is very different from what it was last year. The United States last year was favored with high yields and a large crop, while many other countries had short crops. This year, on the other hand, the United States has a short crop, while many other countries have good crops. The farmers sold their wheat last year for export at prices considerably higher than were obtained for wheat from the 1923 crop. Prices in the United States markets were practically prices in Liverpool and other European markets minus cost or charges for placing wheat upon those markets. During the year, however, the supply of Soft Red Winter wheat became scarce and the prices for that wheat rose so high that it could not be exported and sold on this basis. With a short crop this year most of the wheats of the United States are likely to be in a position held by the Soft Red Winter wheat a part of last year. In so far as this condition exists

the wheat prices of the United States will be too high to permit of exports. In other words, should the world price level remain about the same as last year, prices for most wheat in the United States should be higher than last year.

The amount of wheat that the United States will have available for export from this crop is problematical. Prices cause consumption and exports to vary. The total domestic requirements for seed, feed and flour in the United States may vary from 600,000,000 to 675,000,000 bushels. The amount used for seed last year is estimated at 88,000,000 bushels. Farmers have reported intentions to seed 10 per cent more acres this year than last and should these intentions be borne out for the entire wheat crop the seed consumption would be increased to 96,000,000 bushels. In 1923 farmers reported that they usually fed 8 per cent of the wheat crop to livestock. It would require about 55,000,000 bushels of wheat to meet this requirement. Assuming, however, that the increase in area may not be as great as 10 per cent and that because of high prices the amount fed this year will be much less than usual, we may allow 125,000,000 bushels for feed and seed. It is estimated that commercial mills last year ground about 540,000,000 bushels of wheat for flour. Flour from nearly 63,000,000 bushels of this wheat was exported, leaving the flour produced by commercial mills from 477,000,000 bushels for domestic consumption. It is probable that at least 13,000,000 bushels of wheat was consumed in other mills. Adding 490,000,000 bushels for domestic flour consumption to 125,000,000 bushels for feed and seed consumption makes a total requirement of 615,000,000 bushels. This appears to be almost a minimum requirement.

In considering our flour needs it should not be overlooked that the increase in total population in the United States is annually increasing the demand by about $1\frac{1}{2}$ per cent, or approximately 7,500,000 bushels of wheat. Should the August 1 estimate of wheat production be borne out, after meeting the above indicated requirements, there would be about 63,000,000 bushels of wheat remaining for export without reducing the carryover at the end of the year below the stocks at the beginning of the year.

With an exportable surplus of only about 60,000,000 bushels there would be no wheat to be exported as grain should the mills of the United States grind out of the crop of the United States flour to meet their usual foreign demand. Exports of flour in terms of wheat in recent years have varied from 63,000,000 bushels last year to 77,000,000 the previous year. These flour exports, of course, contain wheat imported from Canada in bond. It is probable, therefore, that the flour demand for this year, as in the previous years, will be met to some extent by Canadian wheat ground in bond. Some wheat from the new crop has already been shipped out of the country but it is to be expected that more will be shipped. It is probable that grain will be shipped out at the beginning of the season to meet contracts and other grain will have to be imported before the end of the year to meet domestic needs.

A further point to be considered in the wheat situation is the fact that there may be a surplus of some classes of wheat and a deficit of others. An analysis of the estimates of production for this year and of production and exports for previous years by classes based upon the best available data indicates that we have about the usual exportable surplus of Durum and might have a small surplus of Red Spring wheat, were it not substituted to some extent for other wheats of which there is a deficiency. Estimates of production and inspections for export by classes are submitted in the following table.

Wheat: Production, inspections for export and other exports,
by classes, United States, July 1, 1920, - June 30, 1925.

Type of wheat	Year beginning July 1				
	Average 1920-1923		1924		1925
	Estimated* production	Inspections of U.S. wheat for export	Estimated* production	Inspections of U.S. wheat for export	Forecast production* Aug. 1
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
Hard Red Spring.....	141,615	9,992	197,662	16,760	195,000
Durum.....	63,806	7,687	67,380	5,945	68,000
Hard Red Winter.....	278,577	70,618	313,524	90,840	167,000
Soft Red Winter.....	251,052	20,984	236,754	6,944	208,000
White.....	92,928	8,549	57,353	10,063	40,000
Mixed.....	-----	29,515	-----	9,386	-----
Flour as wheat.....	-----	72,126	-----	61,000	-----
Other wheat#.....	-----	36,488	-----	54,062	-----
Total.....	827,978	255,959	872,673	255,000	678,000

* Based on estimate of percentage classification by States as reported to Division of Crop and Livestock Estimates.

Exports of wheat other than reported as Federal inspected.

From a study of this table and other data there is submitted below an estimate of average post-war domestic consumption, consumption last year, together with estimates of production by classes for this year. The figures are rounded and only approximate but it is believed that they convey a fairly accurate picture of the situation.

Type of wheat	Production		
	Average 1920-23	Year beginning July 1, 1924	Estimate August 1, 1925
	Million bushels	Million bushels	Million bushels
Red Spring.....	130	150	195
Durum.....	32	35	68
Hard Red Winter.....	200	200	167
Soft Red Winter.....	230	230	208
White.....	84	47	40
Total.....	676	662	678

These figures indicate that we may export about 33,000,000 bushels of Durum without either reducing stocks or consumption in this country, leaving only 30,000,000 bushels of wheat to be supplied from other classes for the balance of exports either as grain or in the form of flour.

It is apparent that Durum wheat may have to be sold in foreign countries in direct competition with wheat from North Africa and Russia, while other wheats for the most part will only meet the competition of other countries in the markets of the United States and upon an import basis. Quotations in important world markets now definitely indicate this shift in relationship. For example, on August 14, the price for September futures in Chicago was \$1.61 per bushel, as compared with \$1.63 in Liverpool, a difference of only 2 cents in favor of Liverpool, whereas last year the price in Chicago on August 14 was \$1.28 and Liverpool \$1.47, a difference of 19 cents in favor of Liverpool. More direct comparisons in relationship might be made between Minneapolis and Winnipeg. Last year on August 14 the price of September futures at Winnipeg was \$1.36, as compared with \$1.29 in Minneapolis, a difference of 7 cents in favor of Winnipeg and on August 14, 1925, the price in Minneapolis was \$1.58 as compared with \$1.43 in Winnipeg, or 15 cents in favor of Minneapolis, a shift of 24 cents, from 7 cents below to 17 cents above Winnipeg. The difference in December futures on the same date, that is August 14, was even greater. The price in Winnipeg was \$1.39, compared with \$1.58, a difference of 19 cents in favor of Winnipeg. The prices of futures in Chicago and Kansas City on August 14 were actually above prices for futures in Liverpool, being \$1.59 and \$1.57 respectively, as compared with \$1.54 in Liverpool. Should imports from Canada become necessary to meet domestic requirements, it may be expected that the difference between the markets in Minneapolis and Winnipeg for comparable grades of wheat will increase up to approximately the amount of the tariff. The shortage in wheat in classes other than Red Spring wheat may be met either by the substitution of the Spring wheats for the Winter wheats in making flour or by some importation from Canada or other countries.

POTATOES IN STRONG MARKET POSITION

Division of Fruits and Vegetables, B. A. E.

At the end of August, potato crop conditions were looking a little better in some sections, but less than average total production was still indicated. Demand is fairly active. Car-lot supplies have increased to about the average weekly requirements, but have been light from the States that usually furnish most of the mid-season supply. Virginia, Kansas and Kentucky have shipped only about three-quarters of their usual quantity. New Jersey, Long Island and Minnesota and the Far West have been filling the gap, rushing their harvest to market, aided by the early season. Total potato shipments are still about 10 per cent below last season.

Prices the past summer were often two or three times those of last season, because of the extreme shortage of the mid-season crop. Recent tendency has been downward, which was to be expected because of the high level reached and because the northern crop is beginning to enter the market in large quantity. This seasonal decline often continues until past the height of the potato harvest season. Some price recovery and advance after digging time would be nothing unusual. Such a rise, from November onward, is far more likely to occur in seasons below average production. The winter rise in Chicago market, following the short crop of 1908 was about 70 cents per 100 pounds. For the light crop of 1911 it was nearly \$1. That season was rather like the present season in estimated potato production per capita and in general business conditions. For 1916, the fall and winter advance was over \$2 and for 1919, with a market attended by general price inflation there was a gain of nearly \$3. After the short crop of 1921, in the midst of business depression, the advance was less than \$1 and most of the crop sold at low prices.

Some conditions, then, indicate a season of prevailing high prices. The early estimates show only three-fourths of last year's production and about 3.1 bushels for each of the estimated population compared with average production of about 3.7 bushels per capita. The shortage applies to the late crop almost as much as to the early potatoes already sold. Sweet potatoes also were a short crop. The early season and the early beginning of the demand for main-crop potatoes means a long market season. Quality is fairly good. Moderately prosperous general business conditions favor liberal buying and tend to carry all price levels upward.

Present tariff of 50 cents per 100 pounds, is a barrier against heavy imports unless prices go very high. Canada also cut down its potato acreage but with continued good growing conditions, expects about four-fifths of last season's production. Europe, except England, appears to have 10 or 15 per cent more potatoes than last year. To American growers this large foreign production means only that potatoes will be available for imports. Ordinarily our exports exceed imports and the imports are never more than a small percentage of production, seldom exceeding 2 million bushels or about an average week's potato supply for our city markets.

Among the conditions which may change the early outlook for high prices somewhat, are the weather which recently has been more favorable to production while on the other hand there is the usual risk of early frost. Reports of early tendency to blight and rot in the East suggest a possible cause of undesirable market conditions. Some market injury has occurred already through marketing poorly graded or immature stock at the expense of the longer outlook. Large increases in the later estimates of production are always possible but not so likely in a season when shortage is in acreage rather than in yield per acre. Among producers and dealers the trend of opinions is slightly hesitating but generally confident of a good market season.

THE COTTON SITUATION

Division of Cotton Marketing, B. A. E.

Last season's aggregate supply of American cotton from the United States was approximately 15,500,000 bales, and the average price for the season was a little over 24 cents as compared with about 30 cents the season before. New crop prices are now hovering around $23\frac{1}{2}$ cents.

The carryover of American cotton in the United States on July 31, 1925, has been placed at about 1,500,000 bales, to which added the most recent indicated production for the season 1925-26, of 13,990,000 makes the probable supply practically the same as that of one year ago.

Although reports indicate that both foreign and domestic demand for new crop cotton is not very keen, exports so far this season exceed those of last year by over 50,000 bales, and takings by American mills so far this season are somewhat in excess of those for the corresponding period last season.

The outlook in the American textile industry is reported as fairly promising and the active spindlage for the month of July, 1925, was considerably in excess of that for July, 1924.

Should the final 1925 crop turn out to be of about the same proportions as now indicated, the supply of American cotton at the end of 1926 will be practically the same as of the past two years, provided, of course, the world's consumption of American cotton is maintained on the same scale as for the preceding 12 months, which was quite full as compared with other post-war years.

Regarding the 1925-26 production of American cotton, there are several rather noticeable features in the situation. In the State of Texas, notwithstanding the largest acreage ever put in cotton in that State, the yield promises to be light and present indications point to a production in that State for 1925 of about 3,769,000 bales from an area in cultivation on June 25 of 18,237,000 acres whereas in the previous season Texas produced her largest crop on record 4,951,000 bales on about 15,595,000 acres planted. In 1912 the state of Texas produced about 4,645,000 bales on about 11,338,000 acres.

The production situation is reversed in some of the other States, namely North Carolina, Arkansas and Oklahoma, in which States record productions are indicated for 1925. The combined production in these 3 States in 1924 was 3,434,000 bales, as compared with an indicated production of 4,349,000 bales for 1925. The largest increase is reported from Arkansas, which State indicates an increase for 1925 of about 400,000 bales.

Should the total 1925 production reach about 14,000,000 bales, it will represent the largest cotton crop raised in the United States since 1914, when the production amounted to about 16,000,000 bales. There were only 2 other American crops larger than 14,000,000 bales prior to the year 1914, those of 1913 and 1911, amounting to 14,156,000 bales and 15,693,000 bales respectively.

THE SITUATION IN VARIOUS KEY STATES

(From Reports of State Statisticians of this Bureau)

CALIFORNIA - July and early August have been a very important harvest season in California. Yields have been generally favorable and most prices such as to allow some profit to the producer. A general tone that approaches optimism seems to prevail throughout most of the agricultural valleys of the State.

Climatic conditions for the whole range of the State have been normally favorable. Little rainfall has occurred, while irrigation waters seem to be ample in most localities and give promise of maintaining throughout the remainder of the season. One period of very high temperatures which centered about July 16 to 18 caused some injury to certain crops in some localities. This injury was not acute but affected oranges, grapes, peaches, prunes, walnuts, beans, cotton and hops.

The small grains and nearly all hay except later cuttings of alfalfa have been harvested. Wheat produced an average yield per acre for the entire State of 19 bushels; barley 31 bushels, and oats 35 bushels. Grain hay produced an average yield per acre of 1.6 tons.

The outlook for rice, cotton, potatoes and sweet potatoes is very promising. Early sweet potato harvest has already begun. High temperatures during July and the scarcity of soil moisture in fields where irrigation was not available have resulted in a severe decline in the condition of lima and "other field beans". Sugar beets in California have suffered severe injury from blight and thrips. An important acreage has already been abandoned.

Apricot harvest is complete, and eastern shipments have discontinued. Eastern shipments of Freestone peaches have been much heavier than last year. To August 13, shipments are already 612 cars in excess of the total 1924 out-of-state peach shipments. Plum shipments to date have already exceeded 1924 total shipments by 698 cars. Pear shipments are in excess of those to this date a year ago and will probably exceed the total out-of-state shipment of last year. Grape shipments do not equal the number of cars shipped at this date in 1924 as maturity is slightly later.

The condition of cattle and sheep remains very good, while local prices are showing little change. Feed supplies are ample. -- E. E. Kaufman.

TEXAS - As a result of the excessively high temperatures and the hot winds, crop conditions have undergone severe deterioration in most parts of the State. Rainfall during the last days of July and the fore part of August were of varying benefit. Where the precipitation was of two inches or more it was possible to plant late feed and for cotton to start a second growth. The drought area in the south central counties received the least amount of good as has been the case during the past 15 months.

In the area, which comprises a fourth of all the counties and fully half of the rich blacklands, conditions are very bad. The rural population involved is somewhat over 1,000,000 with about 500,000 more in the cities and towns. Many have left by rail to seek employment in outlying cotton regions, others are moving by covered wagon or truck. If rains come so that a late feed crop can be made or spring planting can be done, no doubt a large proportion of the farmers will return.

Very few counties will have any surplus feed to sell and thousands of carloads will be brought in from outside States. Feed and pasturage are at a premium. Livestock has improved in condition except in the drought area and some cattle will be fat by early fall. Sheep and goats are doing well. A good fall clip is expected. -- H. H. Schutz.

WISCONSIN - Rarely are farmers reporting to the Department of Agriculture in such general agreement as to the fact that 1925 promises to be a good crop year. The good crop prospect coupled with the favorable price outlook has made a distinctly satisfied feeling among the farmers of the State.

Cheese and butter prices have been enough better than last year to make the average price of milk during the summer months better by 20 cents a hundredweight. This is an improvement of about 12 per cent. Milk flow due to pastures is holding up good for this season.

The corn prospect is excellent. High yields of ripe corn combined with the hog price outlook, is especially encouraging to farmers in southern Wisconsin and reverses the past two years. Oats and barley yielded well throughout the State. A short yield of hay in many parts is relieved by a big carryover from last year and second crops of clover and alfalfa.

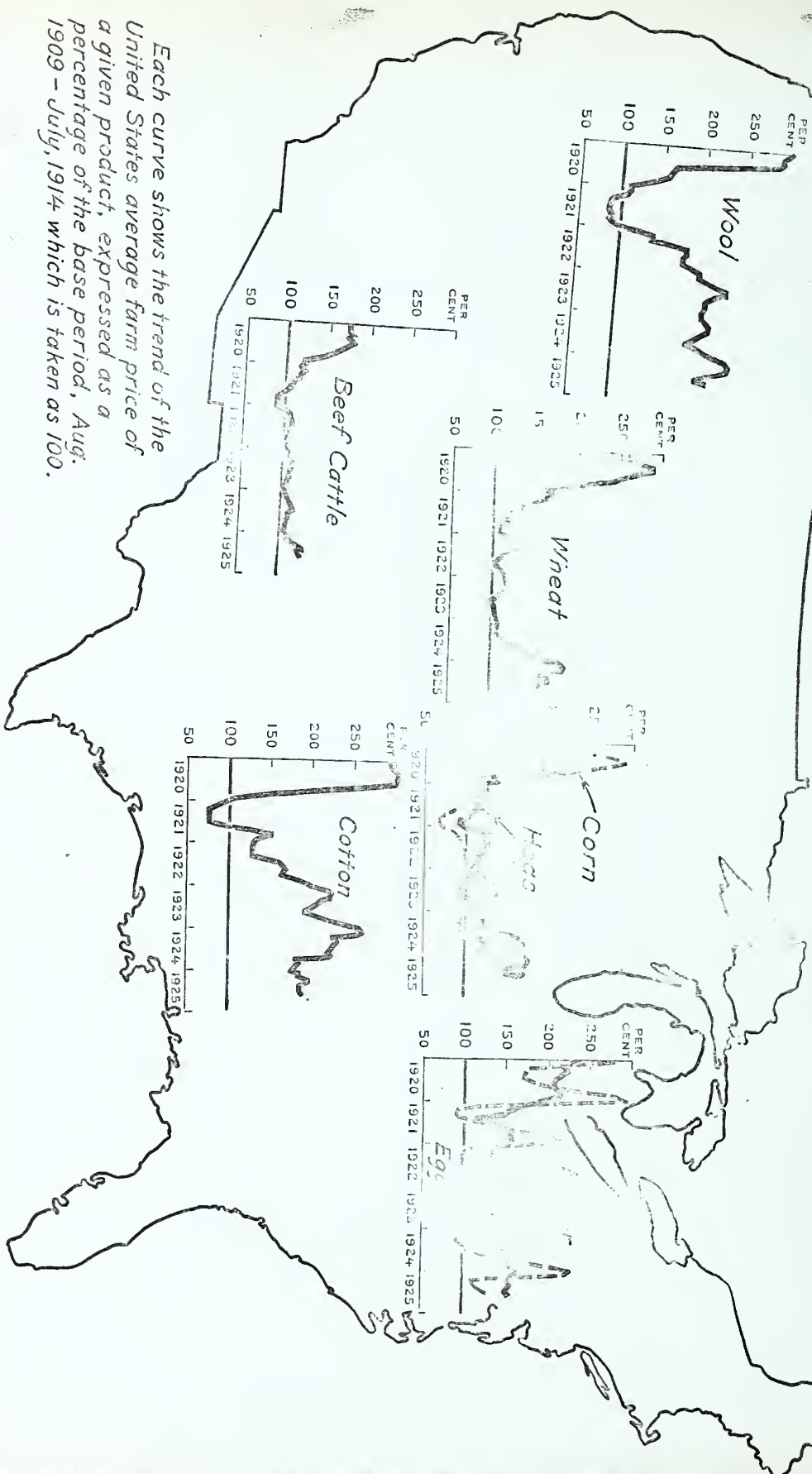
Potato growers in Wisconsin feel that their turn for the better has come with potatoes in this State continuing to be promising in the face of a short United States crop.

Yields of late varieties of canning peas offset considerably the small returns from early varieties of this, Wisconsin's second or third leading cash crop.

The harvest of an unusually high quality and yield of tobacco is underway. -- Paul O. Nyhus.

THE AGRICULTURAL SITUATION REFLECTED IN THE TREND OF PRICES

Each curve shows the trend of the United States average farm price of a given product, expressed as a percentage of the base period, Aug. 1909 - July, 1914 which is taken as 100.



Relative prices gauge the extent of depression or recovery. Here is the story back of the four-year expansion in sheep, the recent dawn of optimism among cattlemen, the progress toward recovery in the Wheat Belt, the prosperity of the South, the revival in the Corn Belt, the relative stability of the dairy industry. It may be noted that the general, wholesale price level is now 60 per cent above pre-war, and urban wages are 120 per cent above pre-war.